

Philippine Stock Exchange index (PSEi)

6,635.11

▲ 46.21 PTS.

▲ 0.7%

WEDNESDAY, MAY 17, 2023

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P684.00 +P14.00 +2.09%	ACEN ACEN Corp. P6.05 +P0.02 +0.33%	AEV Abolitiz Equity Ventures, Inc. P54.55 -P1.15 -2.06%	AGI Alliance Global Group, Inc. P13.80 -P0.08 -0.58%	ALI Ayala Land, Inc. P27.00 +P0.50 +1.89%	AP Abolitiz Power Corp. P37.10 -P0.80 -2.11%	BDO BDO Unibank, Inc. P136.00 -P0.40 -0.29%	BPI Bank of the Philippine Islands P105.00 +P0.90 +0.86%	CNVRG Converge ICT Solutions, Inc. P11.74 -P0.02 -0.17%	DMC DMCI Holdings, Inc. P9.72 -P0.01 -0.1%
EMI Emperador, Inc. P21.00 +P0.05 +0.24%	GLO Globe Telecom, Inc. P1,725.00 +P4.00 +0.23%	GTCAP GT Capital Holdings, Inc. P507.00 +P12.00 +2.42%	ICT International Container Terminal Services, Inc. P204.60 +P3.60 +1.79%	JFC Jollibee Foods Corp. P227.00 +P1.00 +0.44%	JGS JG Summit Holdings, Inc. P49.95 +P0.15 +0.3%	LTG LT Group, Inc. P10.10 -P0.08 -0.79%	MBT Metropolitan Bank & Trust Co. P59.00 —	MER Manila Electric Co. P328.00 +P5.20 +1.61%	MONDE Monde Nissin Corp. P8.88 +P0.09 +1.02%
MPI Metro Pacific Investments Corp. P4.43 —	PGOLD Puregold Price Club, Inc. P31.70 -P0.40 -1.25%	SCC Semirara Mining and Power Corp. P28.30 +P0.35 +1.25%	SM SM Investments Corp. P940.00 +P9.50 +1.02%	SMC San Miguel Corp. P105.00 —	SMPH SM Prime Holdings, Inc. P34.00 +P0.60 +1.8%	TEL PLDT Inc. P1,245.00 +P26.00 +2.13%	UBP Union Bank of the Philippines P79.90 -P0.10 -0.12%	URC Universal Robina Corp. P151.60 -P1.40 -0.92%	WLCON Wilcon Depot, Inc. P27.85 +P0.10 +0.36%

First Gen sets \$1-B capex, plans Casecnan upgrade

By Ashley Erika O. Jose
Reporter

FIRST GEN CORP. is setting aside \$1.1 billion for this year's capital expenditure (capex), which includes funds to optimize the Casecnan hydroelectric power plant that the Lopez-led company offered to buy for \$526 million, the top bid in a government sale.

This year's spending comes as the company completed the bulk of its capex for a liquefied natural gas (LNG) terminal, which it expects to take in its first imported fuel shipment by September this year.

Emmanuel Antonio P. Singson, senior vice-president, chief financial officer, and treasurer, said in a briefing on Wednesday that the biggest chunk of the capex, or more than \$400 million, will be for renewable energy arm Energy Development Corp. (EDC). About \$90 million is allotted for the LNG project, and \$50 million for the Aya pump storage project, with the rest going to the firm's gas power plants.

First Gen's capex this year is about double last year's \$550 million.

In a stock exchange disclosure on Wednesday, First Gen said that its wholly owned subsidiary Fresh River Lakes

Corp. had been declared the highest bidder of the 165-megawatt Casecnan hydroelectric power plant in Nueva Ecija, which state-led Power Sector Assets and Liabilities Management Corp. (PSALM) proposed to sell.

Casecnan, a run-of-river type of power facility with limited water impounding, attracted eight qualified bidders, as announced recently by PSALM.

"We are quite encouraged with the way we've shifted the portfolio, including the purchase of Casecnan, because assets like that are very hard to replicate and they're all in tune [with] where the world is headed with regards to a de-

carbonized energy system," Federico R. Lopez, chief executive officer of First Gen, told reporters on Wednesday.

Francis Giles B. Puno, president and chief operating officer, said the Casecnan plant could supplement First Gen's Pantabangan-Masiway hydropower plant and its Aya project.

"Right now, when you look at Casecnan, fundamentally it's a very important asset for us because we obviously have Pantabangan-Masiway there. We have the plans for Project Aya, which is there," Mr. Puno said.

First Gen's 132-MW Pantabangan-Masiway hydroelectric power plant

complex is located in Nueva Ecija and is operated by First Gen Hydro Power Corp. while Project Aya is located in Pantabangan, Nueva Ecija.

"Casecnan is upstream and to the extent that we could supplement even more supply coming from the upstream side of Casecnan, then that will help Pantabangan-Masiway and Project Aya," Mr. Puno said.

FULL STORY



Read the full story by scanning the QR code or by typing the link < bit.ly/FirstGen051823 >

DMCI Holdings expects 'muted' profit growth this year

DMCI HOLDINGS, Inc. sees muted growth for its businesses this year due to economic constraints and after it reported record profits the previous year, its top official said during the company's annual shareholder's meeting on Wednesday.

"Our company's growth in 2023 will likely be muted, but I remain optimistic about our ability to adapt and persevere," said Isidro A. Consunji, DMCI Holdings chairman and chief executive officer.

Mr. Consunji added that the company's diverse portfolio, financial position, and operations will help it navigate

the "volatile business environment and continue delivering value."

He said that business challenges driven by price volatility, high interest rates, and inflated raw material costs should affect its core businesses.

"To counter price volatility, SMPC (Semirara Mining and Power Corp.) and DMCI Mining Corp. will focus on optimizing their production by reining in costs," he added.

Residential unit DMCI Homes or DMCI Project Developers, Inc will focus on new product formats, such as leisure and premium offerings, he said.

"We will also employ value engineering techniques to identify cost-efficient options, while exploring alternative business models, such as joint ventures, to further optimize our operations," Mr. Consunji said.

Its power unit, DMCI Power Corp., is set to expand with additional commissioning of plants in Palawan and Masbate, which will contribute to the company's power generation capacity.

Meanwhile, the five-year rate rebasing adjustment, which began in January 2023, is expected to drive the revenue growth and capital spending of Maynilad Water Services, Inc.

Last year, the company recorded a 69% increase in its 2022 consolidated net income to P31.1 billion from P18.4 billion a year earlier due to higher contributions from its subsidiaries.

The top contributor during the previous year was SMPC, which more than doubled its contribution to P22.7 billion, driven by high domestic coal shipments, higher spot electricity sales, and elevated market prices.

On Wednesday, DMCI Holdings shares inched up by 0.41% or P0.04 to close at P9.77 apiece. — **Adrian H. Halili**

Sercomm Philippines opens new manufacturing facility in Laguna

NETWORKING equipment manufacturer Sercomm Philippines has expanded its local production capability after the opening of its P2.5-billion factory in Calamba, Laguna.

James Wang, Sercomm Philippines chief executive officer, said during the launch event in Laguna on Wednesday that the new factory, located at Carmelray Industrial Park I—Special Economic Zone, is expected to hire 5,000 employees.

The facility, spanning 20,000 square meters, will produce wireless telecommunication devices such as 5G and fiber products.

"This is going to be the most advanced green facility in terms of manufacturing construction process," Mr. Wang said.

About "20% of households installed Sercomm devices in North America this year. As of today, we are pumping out about 1 million units to supporting the US market," he added.

Delivering the speech of Trade Secretary Alfredo E. Pascual, Trade Undersecretary Carol P. Sanchez said the P2.5-billion investment of Sercomm Philippines could help the country's efforts to become a regional manufacturing hub of the company's products.

"Sercomm Philippines will become the regional center that will serve North America and Southeast Asia markets. Thus, we are not just part of the global supply chain for wireless telecommunication devices, but a regional manufacturing and distribution hub of your 5G and Fiber products," Ms. Sanchez said.

Ms. Sanchez added that Sercomm Philippines' new invest-

ment will boost the country's economic growth.

"Since 2019, the pioneering \$20-million facility here in Carmelray has become the third largest site of Sercomm, accounting for 20% of total manufacturing capacity," Ms. Sanchez said.

"We look forward to your further growth — to reach a manufacturing output share of 40% and more, with Phase 1 and Phase 2 expansions. This new facility is expected to bring Sercomm Philippines at par with production in China, and for us, this means more growth for your company and our economy," she added.

Meanwhile, Philippine Economic Zone Authority (PEZA) Director General Tereso O. Panga said that Sercomm Philippines' project proves that the country shows a lot of promise as an export manufacturing base.

"This expansion project only reinforces our aim to make our country as a priority investment destination owing to our English language proficient workers, among others. But while we always emphasize this strength in attracting foreign investors, there is still a lot to be desired in addressing skills and jobs mismatch," Mr. Panga said.

"In this ever-changing world and technological advancements, it is imperative to constantly improve and innovate our services to enhance our capacity to produce higher quality products that will make us attractive to global industry leaders and competitive as an investment destination in the region," he added. — **Revin Mikhael D. Ochave**

GMA to expand regional footprint, to launch Palawan station in 2023

GMA Network, Inc. is set to expand its regional footprint with a new station in Palawan this year after opening one in Ilocos Norte two months ago, its top official said.

"In 2023, GMA Regional TV launched GMA Ilocos Norte and is now working on GMA Palawan," GMA Chairman and Chief Executive Officer Felipe L. Gozon said during the company's virtual annual stockholders meeting on Wednesday.

GMA Ilocos Norte is the network's 12th regional station in the Philippines. It was launched on March 17. Last year, the network launched three originating stations: GMA Batangas, GMA General Santos, and GMA Zamboanga.

Meanwhile, Mr. Gozon said that the company will continue to pursue partnerships with various entities.

"We are now in an era of partnerships and this has led our expansion to new genres and diversified our revenue streams," he said.

"These collaborations aim to expand the distribution of GMA Pinoy TV, GMA Life TV, and GMA News TV in various territories, into new content platforms," he said, adding that the company has also reached "underserved demographic segments, like the Pinoy seafarer community."

GMA has recently closed deals with ABS-CBN's iWant TFC, Junjo Pinoy, and Now E of PCCW Hong Kong, said Mr. Gozon.

"Our GMA international department is also diversifying its revenue streams to complement traditional subscription revenues by further strengthening its concert and event production, content partnerships, and digital monetization efforts," he added.

In the first quarter, the company suffered a 71.5% decline in attributable net income to P603.57 million from P2.12 billion a year ago due to lower revenues from advertisements.

GMA booked 31.5% lower revenues to P4.02 billion in the first three months of 2023 from P5.86 billion in the same period in 2022.

Revenues from advertisements went down to P3.7 billion, down 71.5% from P5.53 billion previously.

— **Justine Irish D. Tabile**

PetroEnergy attributable income down, consolidated profit rises

PETROENERGY Resources Corp. registered a first-quarter net income attributable to the parent firm of P172.61 million, 2.5% lower than the P176.96 million posted a year ago, the Yuchengco-led energy company said on Wednesday.

In a stock exchange disclosure, the company reported a 10.2% increase in its consolidated revenues to P714.40 million from P648.46 million a year ago for the January-to-March period.

Including non-controlling interest, its after-tax net income for the quarter reached P339.67 million, up by 34.5% from P252.47 million a year ago, due to the surge in electricity sales from renewable energy (RE) operating units.

The energy company attributed its profit rise to the significant increase in interest income from its short-term investments, which it said was also able to offset the decline in revenues from its Gabon oil operations due to the lower price of crude oil.

PetroEnergy said the majority of its revenues for the period were from its investments in renewable energy projects, through its renewable energy arm, PetroGreen Energy Corp.

The energy company said these are the 32-megawatts (MW) Maibarara geothermal power project of the Maibarara Geothermal, Inc. (MGPP); the 70-MW-direct current Tarlac solar power project of PetroSolar Corp.; and the 36 MW Nabas-1 wind power project of PetroWind Energy, Inc.

PetroEnergy said the improved generation of the Maibarara plant from January to March contributed to 18% of the company's electricity sales.

Meanwhile, the increase in short-term investments and interest income was due to the infusion of Kyuden International Corp.'s (KIC) equity to PetroGreen.

To recall, PetroEnergy announced last year that KIC has completed the initial closing requirements for its acquisition of a 25% stake in PetroGreen.

KIC, a subsidiary of Japan's Kyushu Electric Power Co., Inc., is the overseas investment arm of Kyushu Electric, the power provider and distributor in Kyushu Island in Japan.

At the local bourse on Wednesday, shares in the company gained 21 centavos or 4.49% to end at P4.89 apiece. — **Ashley Erika O. Jose**

SM Prime prepares to open its first mall in Bataan province

SY-LED SM Prime Holdings, Inc. is set to open its first mall in Bataan province, the 83rd mall property within the company's portfolio, it said on Wednesday.

"Bataan has been a popular destination among local and foreign tourists for its wonderful mix of historical, natural, and educational sites," SM Prime President Jeffrey C. Lim said in a statement.

"We are very excited to open our new mall, SM City Bataan, in the province as we aim to add color to its rich culture and further spur economic activities that are set to provide significant growth opportunities,

convenience, and entertainment to everyone," Mr. Lim added.

The new mall in Balanga City will add about 46,000 square meters of gross floor area to the company's mall portfolio. It will offer two floors of shopping, dining and entertainment options.

SM City Bataan is planned to open with about 90% of its space lease-awarded and will house a food court, Cyberzone, event center, cinemas, parking zones, and transport terminal complex.

"SM Cinema will offer three regular cinemas and two private cinemas for an immersive experience, while its

parking zones will provide more than a thousand vehicle slots for added convenience," the company said.

The company said that several retail shops and services will also be offered in the property, namely: Surplus, Crocs, Pet Express, Miniso, Sports Central, China Bank, and BDO outlets.

"We expect further growth opportunities for the province and its people with more infrastructure projects waiting to be completed in Bataan," Mr. Lim.

The new mall will be the 83rd mall in SM Prime's local properties. Once opened, the company will have 59 malls

within the provinces and 24 malls in Metro Manila.

"SM City Bataan is expected to provide unique mall experiences as it opens with alfresco dining areas, work pods, a pet park, bike-friendly facilities, electric car vehicle station, and other scenic spots that will capture locals' hearts and supply them with world-class destination, products, and services that will add delight to their everyday lives," it added.

On Wednesday, SM Prime shares went up by 1.65% or P0.55 to P34 apiece. — **Adrian H. Halili**